

Ag. Marketing and Conservation

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The marketing section has as its major objective to assist in the economic development of the states agriculture production sector. The section works with farmers, ranchers and Utah agri business to expand market opportunities, adding value to locally grown commodities, developing new products for market and promoting Utah agriculture in local, national and international markets. The success of these objectives will enable farmers and ranchers to compete in an ever challenging local and export markets.

Buy Local

A major focus of the marketing section is to create and maintain a buy local program while assisting Utah companies in expanding markets nationally and internationally by adding value to Utah produced agriculture products. The Utah Food Strategy Team comprised of volunteer industry leaders continue to utilize their experience and expertise to assist both producers and retailers to promote Utah produced products. The Team had developed and the section has adopted the Utah's Own program including its slogan, Utah's Own – Life at its Best and the Utah's Own logos.

The section continues to help companies in developing marketing strategies and identifying resources to assist them. The section distributes food and agriculture directories to domestic and international audiences through their website and provides opportunities for farmers, ranchers and agri businesses to investigate international markets.

The Internet has become an information highway that assists the division in marketing Utah agriculture and food in both domestic and foreign markets. Contact information on Utah farmers, ranchers and agri businesses is now available through the Department home page and the Utah's Own web site.

Local Market Development

The section continues to assist the sheep industry to accomplish the retail promotion of a Utah lamb product utilizing a Value Added Agriculture Product (VADG) grant from USDA Rural Development Agency (RDA). The grant has enabled Utah lamb producers to create a lamb medallion product with its own distinctive brand, Kings Peak. The effort has progressed to the stage of the advertising effort launched to promote the local lamb product to Utah consumers. The USDA RDA grant provided \$400,000, UDAF Specialty Crop grant \$20,000; Utah Wool growers Association \$20,000; and KSL television \$400,000 to provide funding for the effort.

Integral parts of the Marketing program are farmers markets and certified Organic or "natural" products. Consumer interest in buying fresher and more wholesome, locally grown fruits and vegetables continue to grow. UDAF's Organic Certification program is complimentary to this growing consumer interest and to the marketing program.

Utah's Own Program

The Utah's Own program is designed to provide Utah companies an opportunity to be identified to local consumers. The Utah's Own program, an outgrowth of the Product of Utah program, continues the momentum of the Product of Utah program. Many of the Product of Utah companies have registered with the Utah's Own program while a few other companies will continue to use the Product of Utah logo.

The second Annual Utah's Own Conference in September 2004 is looking for the same success as was accomplished at its first annual conference. The Utah's Own conference in October 2003 brought together over 50 companies and principal retail buyers. In addition to bringing their products to the attention of major retailers, Utah's Own companies also discovered other local products which they could utilize in their production efforts.

The program was originally introduced to consumers through Public Service Announcements and through consumer conferences like Let's Get Cookin!! held in May 2004 and other Salt Lake City activities. The continued development of the local representatives' network will also help the success of the program.

International Market Development

The Marketing Section continues to help Utah farmers, ranchers and agri business reach out to global market opportunities. UDAF staff works with the U.S. Department of Agriculture Foreign Agriculture Service (FAS) in identifying international market opportunities. FAS provides financial resources, commodity expertise and foreign market contracts to help companies develop new global markets. FAS coordinates Agricultural Trade Offices around the world that offers U.S. companies valuable in country assistance.

Congress in 2003 appropriated \$110 million for the Market Access Program (MAP) for 2004 fiscal year to provide cost share monies to eligible companies for global market development. Export market development funds are available through state departments of agriculture or through commodity groups and other industry cooperators participating in MAP.

The allocations of \$110 million was made to 65 U.S. trade organizations to promote U.S. agricultural products overseas under the Market Access Program (MAP). The 2002 Farm Bill provides for significant increases to MAP, more than doubling funding to \$200 million annually by 2006, the first increases to the program since 1996.

The Western U.S. Agricultural Trade Association (WUSATA), made up of the thirteen western states, is a coordinated effort to access federal resources and develop regional export programs and initiatives. Utah's high value, consumer oriented food processors are eligible to receive MAP

funds for export development from WUSATA. During FY 2003 04, Utah had two companies that qualified for MAP funding. In addition, the marketing section is assisted in outreach projects in Japan, Korea and Hong Kong assisting Utah and western region companies enter these export markets.

Companies are invited to "Export Readiness" training to participate in one on one discussions with a professional export consultant as well as learn what assistance is available through UDAF and WUSATA.

Marketing also participates in U.S. Livestock Genetics Export, Inc. (USLGE) to assist Utah livestock producers investigate and develop export markets for sheep, beef and dairy genetics. USLGE offers Utah producers a trade organization that coordinates international market development efforts for dairy, sheep, cattle, swine, horses, semen and embryo exports.

The Utah Livestock Directory and targeted cattle directories have been distributed to worldwide audiences. Of major focus is the Northern Mexico market.

Great American Food Shows

The Marketing Section works with Foreign Agriculture Service to identify global opportunities for introducing high quality Utah food and agriculture products through FAS sponsored food shows. Utah companies interested in investigating new international markets are able to participate in organized U.S. Pavilions that attract perspective consumers, importers, wholesalers and retailers.

HOFEX, delayed for a year by SARS epidemic, was held in Hong Kong during February 2004. The Marketing Section attended and assisted Utah companies and 30 other U.S. companies who demonstrated their products to Hong Kong and mainland China food companies.

FOODEX 2004 was held in Tokyo in March of 2004 and reported it to have its largest attendance ever with over 110,000 participants. This Asian food show continued to be the largest Asian food show. The Marketing Section coordinated Utah and WUSATA participation in the U.S. Pavilion and offered "Food Show Plus", a service package aimed to helping participating companies achieve better results. Food Show Plus provided advance translation services, a full time translator in the exhibitor's booth during the show, a Tokyo retail food store tour and some follow up assistance. The service helped over 40 WUSATA region companies to a successful trade show experience. Sweet Candy company participated in HOFEX 2004 and Heber City's Bear Creek Country Kitchens and Redmond's Real Salt participated in FOODEX 2004.

North American Agricultural Marketing Officials

The North American Agricultural Marketing Officials (NAAMO) was organized in 1921 to allow state agricultural marketing representatives to share ideas, improve state cooperation and develop new marketing ideas. Today, the association has broadened its focus to include both domestic and international marketing and has expanded membership to include Canada and Mexico. Current membership stands at over 50 members from the U.S. States and Canadian Provinces. Utah is a long time member of NAAMO and participates in all of its

conferences. Conferences provide presentations on marketing activities from Canada, Mexico and the U.S. In addition, valuable information is shared between the countries and their federal government representatives.

Utah Food Strategy Team

The Utah Food Strategy Team continues in operation entering its third year of operation during 2004. The Team operates with funding from two RMA grants. One grant is administered by Drake University of Des Moines, Iowa as part of the National Food Policy program. The other grant is administered through the Southwest Marketing Network (SWMN) of Santa Fe, New Mexico. The Utah Department of Agriculture and Food became an active member of SWMN during 2003. The SWMN is comprised of membership from four states, Utah, Colorado, Arizona and New Mexico. The network strives to ensure that new, existing, and prospective Southwest producers—especially small scale, alternative, and minority producers—have a connection with others for technical and financial assistance, marketing information, business and marketing skills, and peer examples needed to improve their marketing success as a means of improving their profitability, viability, and bottom line.

Junior Livestock Shows

The Division administers the legislative mandated and funded program that assists the State's junior livestock shows. Using an agreed upon formula, funds are allocated to shows to promote youth involvement and offer a quality educational experience. The Utah Junior Livestock Shows Association has developed rules with which shows and youth participants must comply to qualify for State assistance. The funding provided by the legislature must be used for awards to FFA and 4 H youth participants and not for other show expenses. During the past year, 18 junior shows were awarded funds to assist in this youth development program.

Market News Reporting

The Market News Section provides accurate and unbiased price information, critical to agriculture and agribusiness in decision making. Market information is disseminated through print media, broadcast media, call in service and summary mailer. Market information is available on the Department's worldwide web site that attracts over 2,000 hits per month. The division monitors livestock auctions in Cedar City, Salina, Spanish Fork and Ogden. In addition, alfalfa hay buyer and seller information is compiled to provide similar market information.

Soil Conservation

The soil conservation section helps enable Utah's private land managers to protect and enhance their soil, water and related natural resources. Agricultural managers are still the majority holders of private lands in the state. Their positive land management actions results in many short and long-term public benefits. This section strives to help create a political environment where representatives of private land managers can direct the local state national land and watershed conservation

and development programs in a voluntary, incentive based process.

The section provides staff support to the Utah Soil Conservation Commission (USCC), which is chaired by Commissioner Peterson. This Commission is a policy making body of the state that coordinates, develops and supports soil and water conservation initiatives and programs. The USCC directs financial and administrative support to Utah's 38 Soil Conservation Districts (SCD). These districts are local units of government charged by state law to help private land managers protect soil, water and related natural resources. This Commission and the districts work closely with their conservation partners, especially state and federal natural resource agencies, to help solve land and water resource challenges.

The USCC and the Department are responsible to conduct biennial elections for members on each of the 38 SCD Boards. There were three positions in each SCD whose election was carried out during 2003-04 fiscal year. Candidates are selected locally by a nominating committee or by public petition. Ballots are mailed to an updated list of primary land managers and citizens who request a ballot. Public notice was given prior to the various election processes so those having an interest in the elections could be involved. Over 12,000 ballots were mailed with an average of 38% return. Those elected took office on March 15, 2004 to a four year term of office. The Department's Information Technology professionals developed a new MS Access computer program to manage the election mailing list and help with the various election processes. It helped improve the efficiency of this election.

The USCC working through the Department has on going memoranda agreements and contractual arrangements with the SCD's state association, the Utah Association of Conservation Districts (UACD), to provide administrative support to the districts and technical assistance to private land owners. See <http://www.uacd.org/> to learn more about UACD. Technical assistance provided by UACD and the SCDs augment the support that has historically been provided by the USDA Natural Resources Conservation Service (NRCS) agency. Project planning, implementation and resource protection applied to the land is tracked and documented.

The USCC with staff support from the Department has the legal responsibility to administer the state's Agriculture Resource Development Loan (ARDL) program. The USCC has developed an administrative structure for the ARDL program so local SCDs are able to promote and benefit from ARDL projects within their boundaries. Administrative ARDL policies are kept current by the USCC. Most of the results of resource protection funded by the ARDL program are included in NRCS PRMS described above since most projects also receive Federal financial grants.

The Utah Department of Agriculture and Food continues to administer the agricultural and information and education portions of the state's nonpoint source (NPS) pollution control program, which is funded largely through section 319 of the Clean Water Act.

UDAF Continues to participate in the Utah Concentrated Animal Feeding Operation (CAFO) Strategy coordinating committee. The animal feeding operation (AFO) assessment process has concluded, with nearly 3,000 operations assessed.

Nearly 400 operations were determined to have runoff problems that needed to be addressed. UDAF is currently assisting in the process to develop and implement plans to fix those problems.

UDAF manages agricultural NPS watershed projects in several areas of Utah. Work is winding down in the highly successful Chalk Creek project in Summit County. At the same time, the Beaver River watershed project is making great progress. Other efforts along the Sevier River and East Fork Sevier River are becoming more prominent. The Utah Nonpoint Source Conference in September 2004 features a watershed tour of portions of the Upper Sevier and East Fork Sevier River.

UDAF continues to direct the information and education programs of the Utah NPS Task Force. UDAF employees chair and serve on the Utah Nonpoint Conference planning committee. Utah continues to co-chair a national committee working on NPS outreach issues. UDAF's NPS public information specialist has been using a national training course he helped create to teach local watershed committees in Utah techniques and methods designed to improve local outreach, information and education efforts.

Finally, UDAF serves a prominent role in the Governor's Watershed Initiative. In November 2003, Utah Governor Olene Walker started a watershed initiative as part of her goals for her year in office. One of the main components of the initiative is to double the number of Adopt-A-Waterbody volunteer groups in Utah. UDAF works jointly on the Adopt-A-Waterbody program with the Utah Division of Water Quality, the Utah Division of Wildlife Resources and Utah State University Extension.

So far in late 2003 and early 2004, Governor Walker, Lt. Gov. Gayle Mackeachnie, Utah Commissioner of Agriculture Cary G. Peterson, and several other dignitaries and agency leaders have participated in education and watershed improvement projects with volunteers.

Groundwater well testing

The Department's agricultural groundwater, well testing and rangeland monitoring programs continue to grow and flourish. Electronic annual reports about each program are available on the Department's web site: <http://www.ag.utah.gov/>; select either the "Ground Water Program" icon or the "Rangeland Monitoring" link under "Find It Fast".

In 2003, the groundwater-sampling program collected around 300 samples from all seven Utah Association of Conservation Districts zones. The samples were tested for a variety of parameters including electrical conductivity, temperature, pH, hardness, sodium and bacteria.

None of the samples contained pesticide residues. Bacteria continued to be a problem throughout the state, more wells tested positive for coliform bacteria in 2003 than in 2002. In 2003 thirty percent of the wells tested had measurable coliform. Of that number, six percent tested positive for E. coli.

The rangeland-monitoring program now has its annual reports from 1996 to 2003 available in hardcopy, on CD-ROM and on the Internet. During 2003 the focus was on the south western region of the state. This includes all or parts of Beaver, Garfield, Iron, Kane, Millard, Piute, San Pete, and Washington counties. The rangeland monitoring program has developed a new tool

that estimates range condition. Range condition has always been subjective; this tool uses data collected by the monitoring team and will be valuable for rangeland managers.

Low Cost Loan Programs

The division is responsible for several loan programs to help the agriculture community and others achieve various worthwhile goals for productivity, efficiency and environmental benefits for the people of Utah. At present the division has portfolios totaling more than one thousand loans with total assets of more than \$34 million. The quality of the portfolios is very high with low delinquencies and a history of minimal losses. The division cooperates with the Department of Environmental Quality (DEQ) in managing one loan program to finance loans for remediation of underground petroleum storage tanks and participates with that agency in underwriting loans for water quality using funds from the State Revolving Fund. Cooperation with other departments of government provides for greater efficiency with minimized duplication of effort and provides the taxpayers with more efficiency in government.

Agriculture Resource and Development Loan (ARDL) Program. This program is the largest portfolio, consisting of about 900 loans and nearly \$20 million outstanding. The program is managed by the division for the Utah Soil Conservation Commission in cooperation with the soil conservation districts throughout the state. The various purposes of the loans are to finance improvements for landowners to provide for greater efficiencies in agriculture operations, range improvements, water and soil conservation, disaster assistance and environmental quality. The loans are written for a maximum of twelve year terms at three percent interest and carry a four percent administration fee that goes directly to the Utah Association of Conservation Districts (UACD) to help finance their operations. The program is a revolving fund which is growing at the rate of about \$1 million per year.

Rural Rehabilitation Loan Programs. These programs, funded by both state and federal monies, total more than \$7 million, and consist of about 75 loans. The purpose for these loans is to help financially troubled producers stay in business, to assist beginning farmers in obtaining farm or ranch property and to provide financing for transfer of agriculture properties from one generation to another. They are essentially loans of last resort requiring that applicants be declined by conventional commercial lenders. Terms range up to a maximum of ten years, and interest rates are five percent or less.

Petroleum Storage Tank (PST) Loans. This program is managed for DEQ to provide financing for property owners who have underground storage tanks that require removal, replacement or repair. The portfolio consists of about 40 loans totaling about \$1 million. Loans are made for up to \$45,000 for a maximum ten year term at three percent interest.

The division is cooperating with DEQ's Division of Water Quality to finance projects for eliminating or reducing non-point source water pollution on private lands. That program has recently become operational.

